2020 Retirement Survey Sponsored by Personal Capital

Respondents were screened for being between 40 and 74 years old, not fully retired and having a retirement savings of at least $50,000. A quota was also set to ensure an even gender split.

DEMOGRAPHIC PROFILE

Respondents had a median age of 51 with the biggest concentration (32%) in the 40-44 range. They were also split equally by gender. Most (86%) were employed (full-time, part-time or self-employed). 3 in 4 (76%) are married.
Respondents have a median of $189,000 saved for retirement. They also have a median household income of $119,000 and a median household net worth of $321,000. Most (81%) also have a college degree.
RETIREMENT PLANS & ATTITUDES

Respondents are most likely (66%) to have a workplace retirement savings plan. The median amount of income they saved for retirement this year is 12%. The majority (53%) are saving the same amount they were prior to the pandemic and they are most likely (42%) to expect to live 20 to 29 years after retiring.

<table>
<thead>
<tr>
<th>Retirement Savings Accounts</th>
<th>% of Income Saved for Retirement in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace plan</td>
<td>65.9%</td>
</tr>
<tr>
<td>Traditional IRA</td>
<td>37.4%</td>
</tr>
<tr>
<td>Roth IRA</td>
<td>29.0%</td>
</tr>
<tr>
<td>Self-employment plan</td>
<td>22.1%</td>
</tr>
<tr>
<td>Annuity</td>
<td>17.7%</td>
</tr>
<tr>
<td>Other tax-free</td>
<td>8.0%</td>
</tr>
<tr>
<td>Other taxable account</td>
<td>10.4%</td>
</tr>
<tr>
<td>None of the above</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

% Saved Compared to Pre-Pandemic Savings Rate

- The same: 53%
- More: 25%
- Less: 21%
- Not sure: 1%

Years Expected to Life in Retirement

- Less than 20: 0%
- 20 to 29: 40.0%
- 30 to 39: 20.0%
- 40+: 10.0%
7 in 10 (71%) respondents are confident that they have enough to live comfortably in retirement and they are most likely (43%) to retire at normal full retirement age. Two-thirds (65%) are confident that Social Security will provide what they’re expecting. The median amount of living expenses they expect Social Security to cover is 27%.
Other than Social Security, respondents are most likely to rely on pensions (46%) in retirement. And the most popular response for fixing the shortfall if Social Security funds is to raise retirement age (41%).
Two-thirds (66%) of respondents have changed their retirement plan as a result of the pandemic. 1 in 4 (43%) are less confident they’ll have enough to retire comfortably has a result of the pandemic. And the most common negative health effect from money worries this year is anxiety (36%).
The majority (58%) of respondents work with an advisor for retirement planning. They’re also most likely to say they need larger nest egg (47%) due to financial turmoil and that they’ll delay retirement (55%) to build their next egg.

### Work with Professional Financial Advisor for Retirement

- **No [42%]**
- **Yes [58%]**

### How Financial Turmoil in 2020 Changed How Much Needed to Retire Comfortably

- **Need a larger nest egg.** 46.8%
- **Anticipate needing less.** 10.5%
- **Expectations haven’t changed.** 42.6%

### Actions Plan to Take to Build Nest Egg

- **Delay retirement, work longer**
- **Cut spending**
- **Take a part-time job to boost ...**
- **Boost savings in my workplace ...**
- **Boost savings and investing ...**
- **Invest more aggressively to ...**
- **Other**

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The largest investment allocation was for stocks (36%) and 1 in 4 (41%) said they changed their allocation of stocks due to the bear market. The majority (54%) said their response to the bear market was to do nothing.

### Investment Asset Allocation

<table>
<thead>
<tr>
<th>Field</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stocks</td>
<td>35.7</td>
</tr>
<tr>
<td>Cash</td>
<td>23.8</td>
</tr>
<tr>
<td>Bonds</td>
<td>17.3</td>
</tr>
<tr>
<td>Real estate investments</td>
<td>12.4</td>
</tr>
<tr>
<td>Other</td>
<td>10.8</td>
</tr>
</tbody>
</table>

### Changed Percentage Portfolio in Stocks as a Result of Bear Market

- **Yes [41%]**
- **No [59%]**

### Response to Bear Market in 2020

- 50.0%: I did nothing and waited for the market to recover.
- 20.0%: I changed my asset allocation to be more conservative.
- 10.0%: I purchased more stock when prices fell.
- 10.0%: I sold some investments to boost my cash position.
- 10.0%: I sold all my stocks but have since reinvested at least a portion of my assets ...
- 0.0%: I sold all my stocks and have not yet reinvested.

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The majority (72%) of respondents are confident economy will improve in 2021, but 3 out 4 (74%) are still worried about market volatility. However, the most popular (33%) investment lesson they learned this year is that their portfolio can weather bad conditions.

Confidence Economy Will Improve in 2021

Worry Level About Stock Market Volatility

What investment lessons did you learn from the market this year

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**Frequency of Checking Investment Portfolio/Retirement Accounts**

- **Daily**: 10.0%
- **Weekly**: 20.0%
- **Monthly**: 20.0%
- **Quarterly**: 10.0%
- **Annually**: 10.0%
- **Not at all**: 0.0%
- **Other**: 0.0%

**Age Expect to Fully Retire**

- 70 or later: 16%
- 65-69: 19%
- 60-64: 29%
- Before 60: 36%

**Plan for Health Insurance For Those Retiring Early**

- Partner's or spouse's plan: 40%
- State's health exchange: 30%
- Individual policy: 20%
- Go without coverage: 10%
- Other: 0%
Half (50%) of respondents say their retirement age won't change as a result of the pandemic. 3 in 4 (75%) have confidence Medicare will be there for them. More than half (54%) will utilize the CARES Act for deducting donations. And the most popular additional CARES relief used was a moratorium on foreclosures.

**Pandemic Changing Expected Retirement Age**

- 50% Not sure
- 24% No, my plans have changed
- 20% Yes, I plan to re-evaluate
- 6% Yes, I plan to re-evaluate

**Confidence that Medicare will Deliver Throughout Retirement**

- 25% Highly confident
- 20% Confident
- 15% Somewhat confident
- 10% Doubtful
- 5% Highly worried

**Deducting Cash Donation for 202**

- 40% Yes, with CARES Act
- 20% Expect to itemize
- 20% No

**CARES Act Relief Used in 2020**

- Moratorium on home foreclosures
- Suspension of student loan payments
- Skpping mortgage or other loan payments
- Deferment or reduction of credit card payments
- Moratorium on rental evictions
- Enhanced unemployment benefits
- Expanded use of a payroll deduction plan
- Other

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3 in 10 (31%) respondents withdrew from their retirement accounts due to the CARES Act, while a similar number (27%) took loans. The funds were mostly used to cover living expenses (63%).
A third (32%) of respondents had their Social Security payroll taxes deferred in 2020 and the majority of them (59%) already set the money aside to pay it back. Most (83%) respondents received a stimulus check which they were most likely to use for paying bills (54%) and savings (51%). Lastly, they were most likely to say their income did not change as a result of the pandemic.
Respondents are most likely to say they are working the same number of hours (44%). 7 in 10 (71%) have been working from home or another location outside the office and two-thirds (65%) of them say they love it.

**Work Schedule Changes in 2020**

- I’m working the same amount of time: 40.0%
- My hours were reduced: 20.0%
- I was laid off: 10.0%
- I’m working longer hours: 0.0%
- Other: 0.0%

**Remote Working Status**

- Yes, from home (primary residence): 40.0%
- Yes, from a secondary residence: 20.0%
- Yes, from another location: 10.0%
- No, have been going to my ...: 0.0%

**Thoughts on Working From Home**

- I love it: 60.0%
- It’s okay, but I want to return to ...: 30.0%
- It’s made me more productive: 10.0%
- It’s made me less productive: 0.0%
- I don’t like it at all: 0.0%
- Other: 0.0%
The most popular increased expenses is food at home (60%) while the most popular expense decrease is travel (57%).

**Expense Changes as Result of Remote Work**

<table>
<thead>
<tr>
<th>Field</th>
<th>Decreased a lot</th>
<th>Decreased a little</th>
<th>Stayed about the same</th>
<th>Increased a little</th>
<th>Increased a lot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Card debt</td>
<td>13.8%</td>
<td>12.9%</td>
<td>39.3%</td>
<td>16.4%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Housing</td>
<td>5.9%</td>
<td>9.8%</td>
<td>50.0%</td>
<td>18.8%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Household goods</td>
<td>5.7%</td>
<td>11.4%</td>
<td>39.3%</td>
<td>24.0%</td>
<td>19.7%</td>
</tr>
<tr>
<td>Home office</td>
<td>6.1%</td>
<td>12.9%</td>
<td>36.9%</td>
<td>27.9%</td>
<td>16.2%</td>
</tr>
<tr>
<td>supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>27.7%</td>
<td>24.0%</td>
<td>19.4%</td>
<td>11.6%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Travel</td>
<td>41.3%</td>
<td>15.5%</td>
<td>17.5%</td>
<td>12.0%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Food at home</td>
<td>4.8%</td>
<td>6.8%</td>
<td>28.2%</td>
<td>32.1%</td>
<td>28.2%</td>
</tr>
<tr>
<td>Food (restaurants)</td>
<td>23.6%</td>
<td>26.0%</td>
<td>17.9%</td>
<td>16.6%</td>
<td>15.9%</td>
</tr>
<tr>
<td>Food (takeout)</td>
<td>13.1%</td>
<td>17.5%</td>
<td>23.8%</td>
<td>24.5%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>28.2%</td>
<td>15.7%</td>
<td>21.8%</td>
<td>16.4%</td>
<td>17.9%</td>
</tr>
</tbody>
</table>
1 in 4 (26%) have moved or will move in the next 3 years as a result of the pandemic. Among them, less population density the biggest motivator (29%).

**Moving as Result Pandemic**

- Yes [26%]
- Not sure [5%]
- No [68%]

**Motivation for Relocating**

- Less population density
- More space to work from home
- Closer to elderly parents
- Less expensive cost of living
- Closer to extended family
- Permanent remote work ...
- Other

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